

DEL NORTE COUNTY ECONOMIC FORECAST

The Del Norte County economy is growing at a healthy rate. In 2017 it generated 120 new jobs, representing a growth rate of 1.5 percent. By comparison, the statewide economy created jobs at a rate of 2.0 percent. The best performing industries in Del Norte County were healthcare and leisure services.

The Del Norte County economy is highly concentrated in a small number of industries. Its largest sector is government, which employs 3,700 workers and accounts for 45 percent of the job market. Approximately half of these jobs are in local schools, while the other half are in state, municipal, and federal agencies. Government agencies reduced their headcounts by 100 employees in 2017, but are expected to regain these jobs over the forecast period.

The county's additional primary sectors are healthcare, leisure services, and retail trade. Combined, these industries employed more than 3,400 workers in 2017.

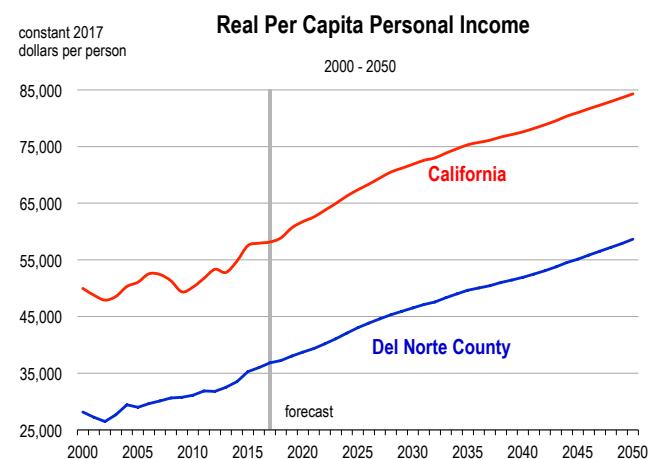
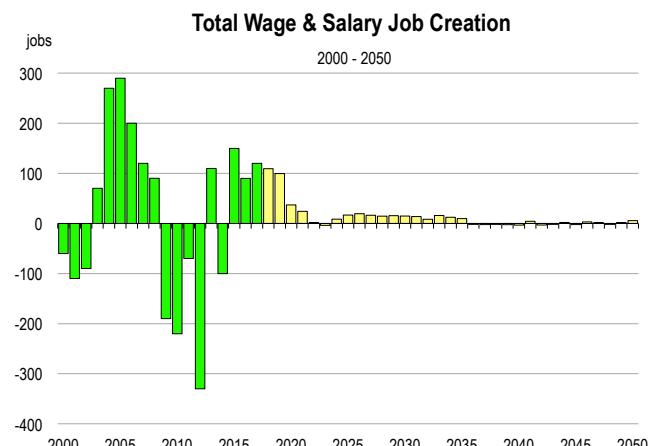
The unemployment rate improved substantially last year, falling from 7.5 percent in 2016 to 6.4 percent in 2017. But it is still higher than most parts of California. This is largely due to the county's prominent share of public school workers, who are often unemployed during the summer months. Because of this dynamic, the Del Norte County unemployment rate is already approaching its lowest sustainable level. By 2019 or 2020, it should reach its lowest sustainable level, at which point it will struggle to improve further.

Del Norte County's population has been declining for most of the last decade. Net migration has been negative, with more people moving out of the county than moving in. At the same time there have been very few births. In most counties, births account for the majority of all population growth, but Del Norte County has a old population with a low birth rate, providing little support for population growth.

Population decline is expected to continue in Del Norte County, placing the economy at risk of long-term stagnation. Stagnant economies are often characterized by subpar job creation, slow income growth, and insufficient public revenues, preventing living conditions from improving and making it difficult for local governments to provide adequate public services.

FORECAST HIGHLIGHTS

- Job growth of 1.3 percent is expected in 2018. Between 2018 and 2023, the annual growth rate will average 0.4 percent.



- Between 2018 and 2023, job creation will be concentrated in government agencies. The county will gain approximately 140 new government jobs, representing 90 percent of net job creation.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Del Norte County, inflation-adjusted salaries are expected to rise by 1.8 percent per year from 2018 to 2023, which will be similar to statewide growth.
- An average of 20 new homes will be built each year between 2018 and 2023. Virtually all of these will be single-family homes, and very few (potentially none) will be apartments.
- The population is expected to decline slightly by 2023. An average of 30 net migrants will leave the county each year, and the natural increase (new births) will add fewer than 10 residents to the county each year.

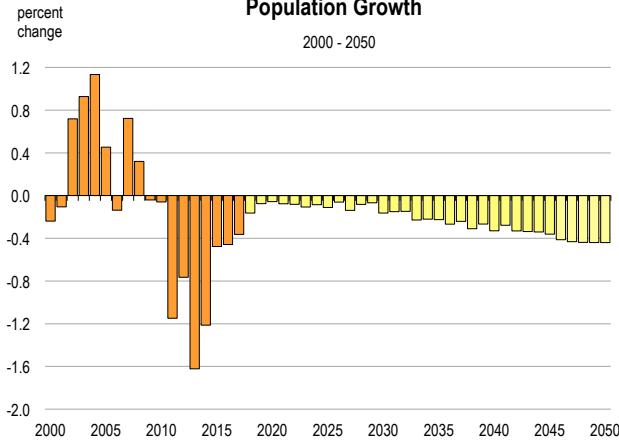
Del Norte County Economic Forecast

2010-2017 History, 2018-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	28,542	-126	27.4	9.9	61	\$204.3	\$0.77	\$31,133	1.3	42.6	24.0	13.2
2011	28,214	-374	26.8	9.9	73	\$211.8	\$0.80	\$31,895	2.7	47.3	24.0	13.3
2012	27,998	-260	26.2	9.9	28	\$226.5	\$0.81	\$31,801	2.7	44.4	16.5	13.5
2013	27,544	-517	26.5	9.8	15	\$234.7	\$0.82	\$32,501	2.3	45.9	19.5	11.8
2014	27,210	-375	26.1	9.8	16	\$240.5	\$0.85	\$33,499	2.8	47.6	18.0	10.1
2015	27,080	-148	27.2	9.8	18	\$240.3	\$0.91	\$35,282	2.6	49.3	20.9	8.6
2016	26,956	-149	28.0	9.8	19	\$246.3	\$0.94	\$35,989	3.1	49.0	25.7	7.5
2017	26,858	-99	27.1	10.0	16	\$252.5	\$0.99	\$36,840	3.2	48.1	30.7	6.4
2018	26,814	-49	27.3	10.0	20	\$262.5	\$1.03	\$37,222	3.7	48.8	34.3	5.6
2019	26,794	-32	27.5	10.0	21	\$273.9	\$1.08	\$38,041	3.1	48.9	35.6	5.1
2020	26,779	-25	27.6	10.0	21	\$287.8	\$1.13	\$38,705	4.1	49.0	37.1	5.4
2021	26,758	-29	27.6	10.1	21	\$299.7	\$1.19	\$39,358	3.6	49.2	39.2	5.5
2022	26,736	-28	27.6	10.1	21	\$312.0	\$1.24	\$40,192	3.5	49.3	41.0	5.6
2023	26,707	-33	27.6	10.1	21	\$324.5	\$1.30	\$41,077	3.4	49.5	42.9	5.8
2024	26,685	-26	27.6	10.1	21	\$336.8	\$1.37	\$42,091	3.3	49.6	44.7	5.9
2025	26,655	-31	27.6	10.1	21	\$349.1	\$1.43	\$43,058	3.1	49.7	46.5	6.0
2026	26,639	-15	27.6	10.2	21	\$360.6	\$1.49	\$43,839	3.1	49.9	48.4	6.2
2027	26,602	-34	27.6	10.2	21	\$371.7	\$1.54	\$44,597	3.0	50.0	50.4	6.3
2028	26,580	-17	27.7	10.2	21	\$382.9	\$1.60	\$45,329	3.3	50.1	52.4	6.3
2029	26,562	-11	27.7	10.2	21	\$393.2	\$1.66	\$45,908	3.1	50.3	54.4	6.3
2030	26,518	-34	27.7	10.2	20	\$403.6	\$1.71	\$46,513	3.0	50.4	56.4	6.3
2031	26,478	-28	27.7	10.3	20	\$414.6	\$1.77	\$47,125	2.9	50.6	58.4	6.4
2032	26,439	-26	27.7	10.3	21	\$426.6	\$1.82	\$47,555	3.1	50.7	60.4	6.4
2033	26,379	-46	27.7	10.3	20	\$437.6	\$1.88	\$48,308	2.7	50.8	62.4	6.4
2034	26,320	-43	27.7	10.3	20	\$449.2	\$1.95	\$48,989	2.9	51.0	64.4	6.4
2035	26,261	-43	27.7	10.3	20	\$460.9	\$2.01	\$49,642	3.0	51.1	66.4	6.4
2036	26,191	-54	27.7	10.3	19	\$473.8	\$2.08	\$50,067	3.4	51.2	68.4	6.4
2037	26,128	-45	27.7	10.4	20	\$486.7	\$2.14	\$50,459	3.5	51.4	70.5	6.4
2038	26,046	-62	27.6	10.4	19	\$499.1	\$2.21	\$51,001	3.3	51.5	72.5	6.4
2039	25,977	-49	27.6	10.4	19	\$512.1	\$2.29	\$51,433	3.5	51.7	74.6	6.4
2040	25,891	-64	27.6	10.4	19	\$524.7	\$2.36	\$51,914	3.4	51.8	76.7	6.4
2041	25,819	-51	27.6	10.4	19	\$536.7	\$2.44	\$52,493	3.2	51.9	78.9	6.4
2042	25,734	-65	27.5	10.4	19	\$548.5	\$2.51	\$53,101	3.1	52.1	78.2	6.4
2043	25,647	-67	27.5	10.5	19	\$560.0	\$2.59	\$53,757	3.0	52.2	76.9	6.4
2044	25,560	-68	27.5	10.5	19	\$570.9	\$2.67	\$54,518	2.8	52.3	75.2	6.4
2045	25,467	-73	27.4	10.5	19	\$582.7	\$2.75	\$55,146	3.0	52.5	73.8	6.4
2046	25,362	-86	27.4	10.5	18	\$594.2	\$2.83	\$55,842	2.9	52.6	74.7	6.4
2047	25,253	-91	27.4	10.5	18	\$606.0	\$2.91	\$56,515	2.9	52.7	74.7	6.4
2048	25,142	-93	27.3	10.5	18	\$617.9	\$3.00	\$57,201	2.9	52.9	74.1	6.4
2049	25,031	-95	27.3	10.6	18	\$630.1	\$3.09	\$57,904	2.9	53.0	73.8	6.4
2050	24,921	-96	27.3	10.6	18	\$642.5	\$3.18	\$58,637	2.9	53.2	75.7	6.3

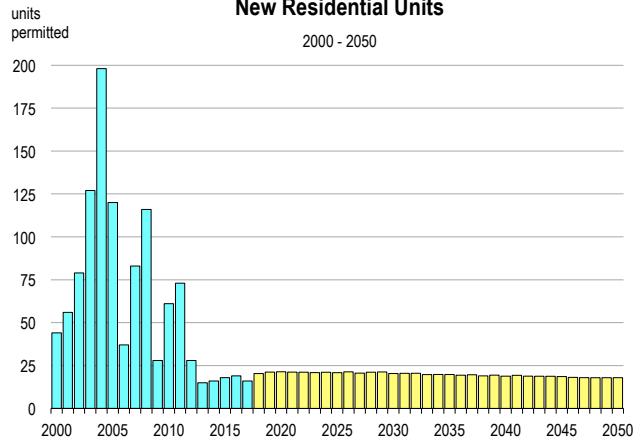
Population Growth

2000 - 2050



New Residential Units

2000 - 2050



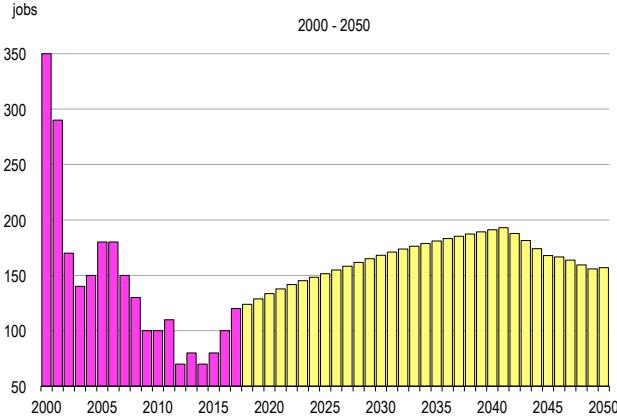
Del Norte County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Mining, Logging, & Construction	Manufacturing	Trade, Transportation, & Utilities	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----											
2010	8.38	0.32	0.17	0.10	1.09	0.18	0.17	0.09	1.49	0.76	3.91
2011	8.31	0.28	0.15	0.11	1.11	0.18	0.33	0.09	1.39	0.73	3.83
2012	7.98	0.30	0.16	0.07	1.05	0.19	0.19	0.09	1.30	0.74	3.76
2013	8.09	0.33	0.16	0.08	1.06	0.19	0.19	0.09	1.42	0.77	3.67
2014	7.99	0.33	0.14	0.07	1.01	0.18	0.21	0.08	1.42	0.75	3.68
2015	8.14	0.31	0.15	0.08	1.02	0.19	0.21	0.08	1.40	0.76	3.84
2016	8.23	0.31	0.16	0.10	1.04	0.18	0.22	0.08	1.41	0.82	3.82
2017	8.35	0.33	0.17	0.12	1.03	0.18	0.23	0.08	1.50	0.89	3.72
2018	8.46	0.33	0.17	0.12	1.02	0.18	0.23	0.08	1.51	0.92	3.80
2019	8.56	0.32	0.17	0.13	1.02	0.18	0.24	0.08	1.52	0.92	3.87
2020	8.60	0.32	0.17	0.13	1.02	0.18	0.24	0.08	1.53	0.92	3.91
2021	8.62	0.32	0.17	0.14	1.01	0.18	0.24	0.07	1.53	0.91	3.94
2022	8.62	0.32	0.17	0.14	1.01	0.18	0.24	0.07	1.54	0.91	3.94
2023	8.62	0.32	0.17	0.15	1.01	0.18	0.24	0.07	1.54	0.90	3.94
2024	8.63	0.32	0.17	0.15	1.01	0.18	0.24	0.07	1.55	0.90	3.94
2025	8.64	0.32	0.17	0.15	1.01	0.18	0.24	0.07	1.55	0.90	3.95
2026	8.66	0.32	0.17	0.15	1.00	0.18	0.24	0.07	1.55	0.90	3.96
2027	8.68	0.32	0.17	0.16	1.00	0.18	0.24	0.07	1.56	0.90	3.98
2028	8.69	0.32	0.17	0.16	1.00	0.18	0.24	0.06	1.56	0.90	3.99
2029	8.71	0.32	0.17	0.17	1.00	0.18	0.25	0.06	1.56	0.90	4.00
2030	8.72	0.32	0.17	0.17	0.99	0.18	0.25	0.06	1.56	0.90	4.02
2031	8.74	0.32	0.17	0.17	0.99	0.18	0.25	0.06	1.56	0.90	4.03
2032	8.74	0.32	0.17	0.17	0.98	0.18	0.25	0.06	1.56	0.91	4.04
2033	8.76	0.32	0.17	0.18	0.98	0.18	0.25	0.06	1.56	0.91	4.06
2034	8.77	0.32	0.17	0.18	0.97	0.18	0.25	0.06	1.56	0.91	4.07
2035	8.78	0.32	0.17	0.18	0.97	0.18	0.25	0.06	1.56	0.91	4.09
2036	8.78	0.32	0.17	0.18	0.96	0.18	0.25	0.06	1.56	0.91	4.09
2037	8.78	0.32	0.17	0.19	0.95	0.18	0.25	0.06	1.56	0.91	4.09
2038	8.78	0.32	0.17	0.19	0.95	0.18	0.25	0.06	1.56	0.91	4.10
2039	8.78	0.32	0.17	0.19	0.94	0.18	0.25	0.06	1.56	0.91	4.10
2040	8.77	0.32	0.17	0.19	0.93	0.18	0.25	0.06	1.56	0.91	4.11
2041	8.78	0.32	0.17	0.19	0.92	0.18	0.25	0.06	1.56	0.91	4.12
2042	8.77	0.32	0.17	0.19	0.91	0.18	0.25	0.06	1.56	0.91	4.13
2043	8.77	0.32	0.17	0.18	0.91	0.18	0.25	0.06	1.56	0.91	4.14
2044	8.77	0.32	0.17	0.17	0.90	0.18	0.25	0.06	1.56	0.91	4.16
2045	8.77	0.32	0.17	0.17	0.89	0.18	0.25	0.06	1.55	0.91	4.17
2046	8.78	0.32	0.17	0.17	0.88	0.18	0.25	0.06	1.55	0.91	4.19
2047	8.78	0.32	0.17	0.16	0.87	0.18	0.25	0.06	1.55	0.91	4.20
2048	8.78	0.32	0.17	0.16	0.86	0.18	0.25	0.06	1.55	0.92	4.22
2049	8.78	0.32	0.17	0.16	0.85	0.18	0.25	0.06	1.55	0.92	4.23
2050	8.78	0.32	0.17	0.16	0.84	0.18	0.25	0.06	1.55	0.92	4.25

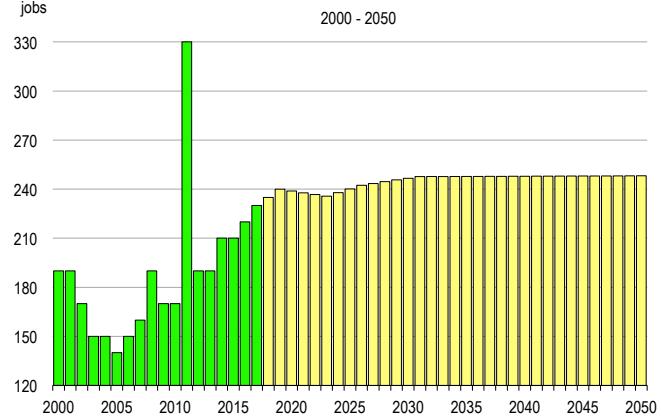
Manufacturing Employment

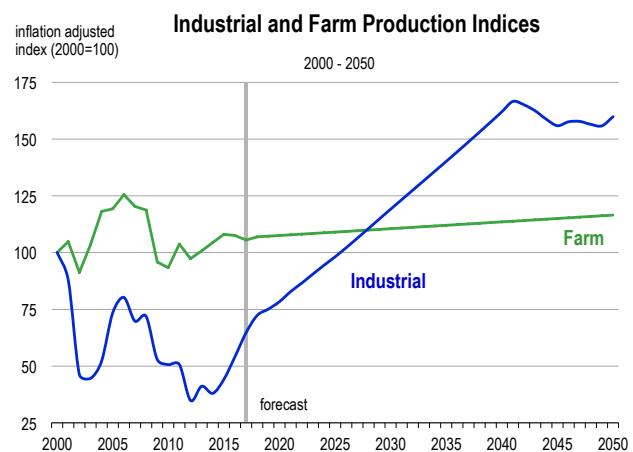
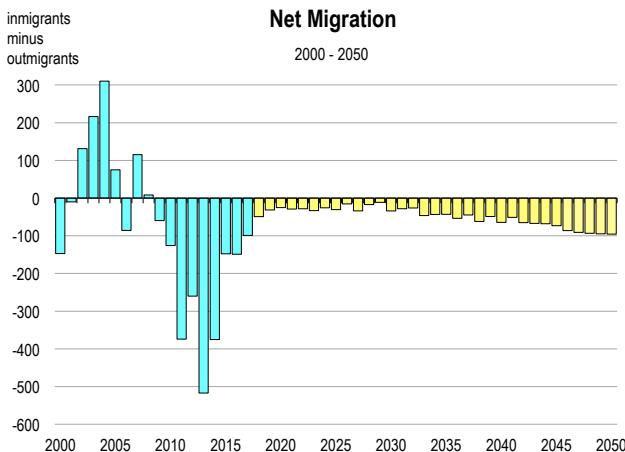
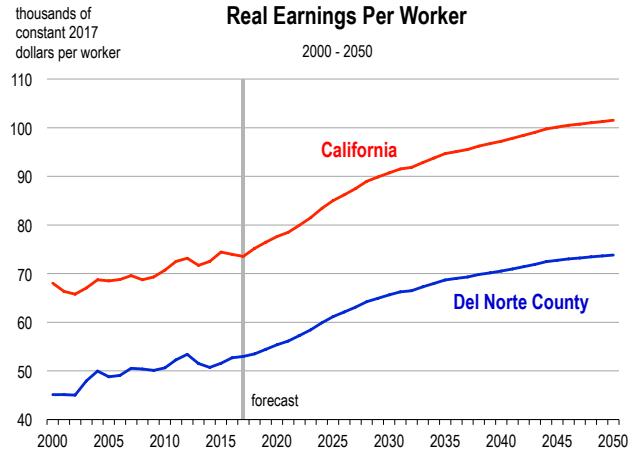
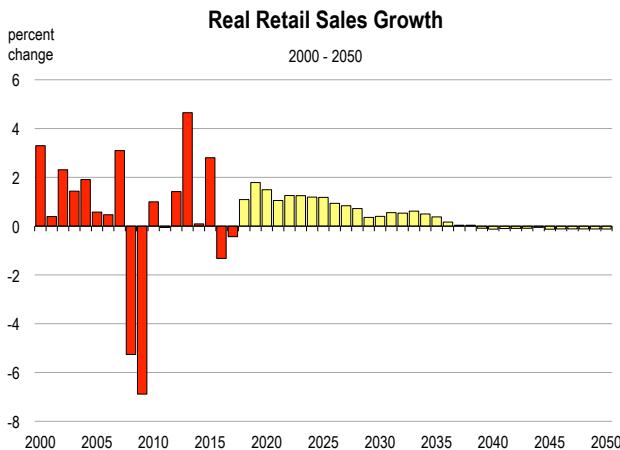
2000 - 2050



Employment in Professional Services

2000 - 2050





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	7.0%
Expected job growth:	1.9%
Fastest growing jobs sector:	Manufacturing
Expected personal income growth:	9.9%

Expected population growth:	-0.4%
Net migration to account for:	N/A
Expected growth in number of vehicles:	0.9%

Demographics (2018)

Unemployment rate (April 2018):	5.1%
County rank* in California (58 counties):	35th
Working age (16-64) population:	63.5%

Population with B.A. degree or higher:	15.2%
Median home selling price (2017):	\$187,500
Median household income:	\$44,263

Quality of Life

Violent crime rate (2016):	512 per 100,000 persons
County rank* in California (58 counties):	41st
Average commute time to work (2018):	16 minutes

High School drop out rate (2017):	20.5%
Households at/below poverty line (2018):	17.0%
* The county ranked 1st corresponds to the lowest rate in California	